Hays	Madden	Rogers, Tex.
Healey	Mahon	St. Germain
Hébert	Mailliard	Saund
Hiestand	Martin, Mass.	Saylor
Hoffman, Mich.	Mason	Schwengel
Horan	May	Scranton
Jones, Ala.	Miller,	Seely-Brown
Kelly	George P.	Slack
Keogh	Moss	Smith, Miss.
Kilburn	Moulder	Smith, Va.
Kirwan	Multer	Spence
Kowalski	Nygaard	Steed
Kyl	Pilcher	Stratton
Landrum	Powell	Thompson, La.
Latta	Rains	Tollefson
Loser	Reece	Ullman
McCulloch	Reuss	Yates
McSween	Riley	Zelenko
McVey	Rivers, S.C.	

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Buckley with Mr. Halpern.
Mr. McSween with Mr. Alger.
Mr. Keogh with Mr. Nygaard.
Mr. Davis of Tennessee with Mr. Becker.
Mr. Multer with Mrs. Reece.
Mr. Thompson of Louisiana with Mr. Betts.
Mr. Celler with Mr. Saylor.
Mr. Flood with Mr. Chenoweth.
Mr. Healey with Mr. Arends.
Mr. Fogarty with Mr. Mason.
Mr. Powell with Mrs. May.
Mr. Gilbert with Mr. Kilburn.
Mr. Stratton with Mr. Hiestand.
Mr. George P. Miller with Mr. Glenn.
Mr. Farbstein with Mr. Martin of Massachusetts.
Mr. St. Germain with Mr. Schwengel.
Mr. Zelenko with Mr. Curtis of Massachusetts.
Mr. Mahon with Mr. Bromwell.
Mr. Delaney with Mrs. Bolton.
Mr. Loser with Mr. McVey.
Mr. Feighan with Mr. Horan.
Mr. Slack with Mr. Hoffman of Michigan.
Mr. Reuss with Mr. Kyl.
Mr. Rogers of Texas with Mr. Scranton.
Mr. Anfuso with Mr. Seely-Brown.
Mr. Ashley with Mr. Mailliard.
Mr. Aspinall with Mr. Fino.
Mr. Bailey with Mr. Garland.
Mr. Bonner with Mr. Tollefson.
Mr. Burke of Kentucky with Mr. Latta.
Mr. Carey with Mr. McCulloch.

Mr. INOUYE changed his vote from "nay" to "yea."

Mr. KEARNS changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

AMENDING THE COMMUNICATIONS ACT OF 1934

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus, with an amendment of the Senate thereto, and agree to the Senate amendment thereto.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Resolved, That the bill from the House of Representatives (H.R. 8031) entitled "An Act to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus" do pass with the following amendment: Page 1, line 8, after "of" insert "adequately".

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Mr. Speaker, reserving the right to object, may we have a brief explanation of the amendment?

Mr. HARRIS. Mr. Speaker, it will be recalled that the House Committee on Interstate and Foreign Commerce reported this bill, H.R. 8031, which would provide for all-channel receiving sets to be manufactured by companies manufacturing television sets. In other words, the sets must be able to receive both VHF signals and UHF signals. The bill passed the House by a very big majority vote. It went to the other body. They adopted the language as passed by the House with the exception of this one amendment which provides that the receiving set shall be capable of adequately receiving all frequencies, and so on.

The reason for the word "adequately" being included by the Senate is the fact that if there is not some way for the Federal Communications Commission to establish rules in reference to these sets cheap and shoddy sets may show up on the market that will be no good at all. So the purpose of this amendment is to establish the policy of a minimum type of receiving set in order to prevent such kind of action being imposed upon the general public.

Mr. GROSS. It does mean, however, that one would have to buy, after this legislation becomes effective, sets equipped both ways.

Mr. HARRIS. It does mean that all receiving sets in due time would receive both signals.

Mr. GROSS. Whether you would be able to get both signals or not you would have to buy sets so equipped?

Mr. HARRIS. Yes; and it is planned ultimately that in most sections of the country such signals would be received.

I might say, Mr. Speaker, in order that the record may be kept perfectly clear that the Electrical Industries, Associated, had some reservation about it but they have now written a letter to the committee in which they approve this amendment. Also the Maximum Telecasters wrote a letter in which they approve the amendment and urge its adoption. As far as I know, the industry is in favor of it.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

Mr. DOMINICK. Mr. Speaker, further reserving the right to object, I happen to be one of those who voted against the bill when it went through the House. It would require the people of Colorado to pay more for new TV sets for equipment for which they have no immediate or prospective use.

Let me understand this clearly. Does this amendment mean in addition to the added expense required under the original bill, the amendment gives the FCC power to establish performance requirements as well?

Mr. HARRIS. I would say to the gentleman that none of his constituents or mine are going to be required to buy the kind of television set the gentleman referred to tomorrow or next year. As the gentleman will recall, when we discussed it on the floor of the House, rules-making procedure will be necessary, and it will require 5, 6, or 7 years before this will be brought about. We hope ultimately it will be of advantage to all the citizens in the country.

This amendment merely says that if such a receiving set is put on the market that it will have to perform and, therefore, be able to receive the signals it is contemplated will be used.

In other words, it is to prevent shysters from developing shoddy equipment.

Mr. DOMINICK. That does not change the fact that the amendment gives to the Communications Commission the power to determine the type of instrument, whether it is good, bad, indifferent, excellent, or anything else that a manufacturer of a receiving set is going to put out?

Mr. HARRIS. Those who are primarily interested have a contrary view in letters to the committee.

Mr. DOMINICK. Does that also apply to the manufacturers of receiving sets? Have they agreed to this type of amendment?

Mr. HARRIS. Yes. That is what I am telling the gentleman. The group of manufacturers that were concerned about it before realize, in view of the fact there is going to be a bill, that they want this provision in it. They must have it in order to protect themselves against shoddy material.

Mr. DOMINICK. I thank the gentleman.

Mr. HALL. Mr. Speaker, reserving the right to object, may I ask the distinguished chairman if this would in any way affect the Federal Communications Commission's power to direct a telecaster to broadcast on any beams or in any areas?

Mr. HARRIS. No, it would not have any effect whatsoever.

Mr. SPRINGER. Mr. Speaker, reserving the right to object, may I say this was discussed when we had this hearing before our own committee. We did put this word in. It went over to the Senate side. I think it has been an improvement on our bill. I believe the legislation ought to be passed with that word in it.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CORRECTION OF RECORD

Mr. FINDLEY. Mr. Speaker, on page 11159 of the RECORD of June 28, I am quoted as using the word "wreck." The word should be "rig."

I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SUPPLEMENTAL AIR CARRIERS

(Mr. WALTER asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. WALTER. Mr. Speaker, I wish to present at this time a full and completely verified summary of some of the most important factors bearing on the qualifications of the supplemental carriers which were authorized to do business as of the beginning of this session of Congress.

These data were prepared by my staff from a number of official sources. It gives ample evidence as to the fitness and ability of these carriers, or their lack of it, to provide air transportation in accordance with the statute and the Civil Aeronautics Board's regulations, and the carriers' willingness, or lack of it, to comply with the statute and the regulations.

Some of this material has been made known to my colleagues for purposes of the deliberations of the conferees. I now offer all of it in full with the express intent that it be carefully noted by both the Civil Aeronautics Board and the Federal Aviation Agency, and that it be given full weight in future evaluations of these carriers by these agencies or any other department of the Government that may be concerned with them.

The history of these carriers has, in many respects, been a very sorry one, but the history of the failure of CAB majorities to regulate them during the late 1950's was even sorrier. By shutting their eyes to the plainest evidence of mismanagement, gross negligence, and dishonesty, and by distilling this attitude into a doctrine which the Board officially characterized as "resolving doubts in favor of the carrier," these majorities simply abdicated their responsibility to regulate.

Thus, the interests of a few self-seeking people in the managements of a few companies were allowed to rise ahead of the interests of the public.

This must not recur. In certificating carriers pursuant to this legislation the CAB must bear in mind that the Congress intends that all ticketed services by supplemental carriers are to end no later than 2 years hence, and that only such ticketed services as are genuinely needed by the carrier—are convincingly proven to be needed—in order to make the transition to all-charted operations are to be permitted at all during this 2-year period. Congress is saying categorically that ticketed operations by supplementals are bad, per se, because the CAB has shown that it cannot control, limit, or police these operations, and because of this have caused the most irresponsible of managements to move into these companies to make a quick buck while scoffing at the law and making a mockery of the safety of the public. You cannot have ticketed services by these carriers and at the same time regulate them.

Now, as to the summaries of these companies:

SUMMARY OF FACTORS ON QUALIFICATIONS OF SUPPLEMENTAL AIR CARRIERS

AIR CARGO EXPRESS (COLUMBIA)

Compliance

In 1957: Found by the examiners to be "owned and controlled and managed by the group of persons which constituted (with the exception of Mr. Heacock) the management of Air Transport Associates, Inc., when the Board found that the latter carrier could not be entrusted with operating authority and that its license must be revoked" (I.D., D. 5132, Jan. 10, 1957, p. 23).

In 1959: The Board adopted the finding of the examiners and denied the carrier's applications in docket No. 5132. The carrier petitioned for reconsideration alleging that there had been a complete change in ownership, management, and control.

In 1960: On appeal to the court of appeals the carrier said in its brief that its control and management changed in 1957 and 1958 and that 54 percent of its stock "is and has been since 1957" held by strangers to the record. The court, therefore, remanded the case to the CAB to give the company a chance to establish its qualifications "under the changed circumstances alleged" (294 F. 2d 217, 227 (D.C. Cir. 1961)).

In 1962: On February 5, 1962, CAB Bureau Counsel filed a brief in the remanded case reciting evidence brought out at the hearing that the alleged change in ownership, management, and control was in form only and that not merely were Mr. Heacock's associates in the notorious violator, Air Transport Associates, in the picture but Mr. Heacock himself, the president of that carrier, was half owner of Air Cargo Express at least at the time the brief to the court of appeals reiterating the allegations of change was filed. Bureau Counsel stated:

"The facts of record prove beyond a shadow of a doubt that Air Cargo's allegations of a complete change in ownership and control were completely without substance, and strongly suggest that Air Cargo intended to deceive the Board and the court.

* * * * *

"In spite of the foregoing, Air Cargo vigorously processed its appeal to the court from the Board's 'unfair' decision and as late as July and August 1960, filed briefs in support of its allegation that there had been, and is presently, a complete change in the ownership and control of Air Cargo. What Air Cargo neglected to tell the court was that as at this very time, Mr. Heacock (of Air Transport Associates—see 1957, above) was back in the picture as half owner of the carrier.

"Certainly, Air Cargo should not be rewarded in this proceeding for having kept the facts from the court."

Financial

As of March 31, 1961, working capital was minus $34,850, earned surplus minus $35,400, current assets only $150, and total assets $46,650, of which all but the $150 are "other assets" not further identified.

Owns no flight equipment.

Dormant

Dormant for 12 months to June 30, 1961 (latest year available).

FAA air carrier operating certificate expired March 8, 1960.

AIRLINE TRANSPORT CARRIERS (CALIFORNIA-HAWAIIAN)

Compliance

In 1952: Ordered to cease and desist from: maintaining interlocking relationships without prior Board approval; transferring stock or property without prior Board approval; and failing to file agreements with other air carriers as required under section 412(a) of the act (15 CAB 876).

In 1960: Consent cease and desist order based on the following violations: excessive flight frequencies; common control of Airline Transport Carriers and California Central Airlines by Charles and Edna Sherman without Board approval; common control of Airline Transport Carriers and California Coastal Airlines by the same persons without Board approval; interlocking relationships among officers of these carriers without Board approval; aircraft leases by Airline Transport Carriers without Board approval; failure to file cooperative working agreements between Airline Transport Carriers and the other two carriers in violation of section 412 of the act; violation of CAB ticketing requirements; failure to charge and collect the fares specified in its tariffs; and failure of Charles and Edna Sherman to file with the Board annual reports of stockownership in violation of section 407 of the act (D. 9338, Order E-14978, Mar. 2, 1960).

In 1961: In October CAB enforcement office conducted field investigation of ATC, upon which "it appears that ATC filed erroneous financial data with the Board" in balance sheets for both December 1960 and June 1961:

"Specifically, the carrier failed to record the current portion of long-term debt, classifying as long-term debt unearned revenues and accrued salaries rather than as current liabilities, and overstated its current assets. Adjustments by the Board's auditors show 'the carrier's working capital position appears to be extremely precarious. Thus instead of a 1.6 to 1 ratio of current assets to current liabilities, the actual ratio appears to be 1 to 6.6.'

"Moreover, in view of the carrier's apparent, and possibly willful violations of the Board's reporting requirement in submitting financial reports, the ability and desire of the carrier to adhere to the Board's rules and regulations becomes subject to much doubt" (Bureau Counsel's motion to reopen the record, D. 5132, et al., January 3, 1962).

Safety

Declared unfit by MATS on safety grounds.

Finances

As of June 30, 1961, even on the carrier's figures which Bureau Counsel has characterized as false (see above), earned surplus was minus $167,000, and net worth minus $99,800.

Declared unfit by MATS on financial grounds also.

AMERICAN FLYERS AIRLINE CORP.

Financial

As of September 30, 1961, working capital was minus $145,000, earned surplus minus $49,700, and net worth minus $44,700.

ARCTIC PACIFIC

Compliance

In 1950: Consent cease and desist order issued in July for operating regular scheduled service (docket No. 4285).

In 1960-61: Following crash at Toledo, October 29, 1960, with California Polytechnic football team, James Springer, head of the company, moved into a combine of California intrastate enterprises, Golden Gate Airlines, Far West Airlines, and Travis Transportation Co., concealing his management of them by listing himself in the personnel roster as a mere "expediter." This came to light in hearings following a DC-3 crash of Travis in October 1961, killing 7. Testimony included such matters as pilots being ordered to fly after being on duty over 14 hours (more than permitted by FAA), destruction of files showing lack of pilot proficiency, operation without required FAA certificates, inability of employees to collect pay owed them, failure to keep records, failure to inspect aircraft chartered by Far West, and that one Howard Harper of San Carlos, Calif., was involved in plans for a large stock offering in Far West. Harper was indicted September 29, 1961, and charged with 13 felony counts in connection with an airport development scheme and illegal stock sales.

Safety

Cal-Poly football crash at Toledo in below minimum weather, with bad equipment, overloading, and pilot flying overtime, October 29, 1960 (CAB accident report SA-360, file No. 1-0047, Jan. 15, 1962).